

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1517-01
Bill No.: HB 578
Subject: Ambulance Districts: Sales Tax
Type: Original
Date: February 23, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	Unknown to (\$71,468)	Unknown to (\$31,301)	Unknown to (\$32,095)
Total Estimated Net Effect on <u>All</u> State Funds	Unknown to (\$71,468)	Unknown to (\$31,301)	Unknown to (\$32,095)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	Unknown	Unknown	Unknown

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Health** assumes there would be no fiscal impact to their department.

Officials of the **Department of Revenue** assume this proposal creates a sales tax for ambulance districts which do not have a required boundary as a city or a county. Officials assume they would need one Tax Processing Technician I for each 1,000 businesses in the district in order to continually work with the businesses in the districts and to keep current the registration issues that arise with the increasing number of districts that might adopt a sales tax. The sales tax mainframe system (MITS) would need to be modified to create and maintain "shape files" which would define the boundaries of the district. MITS would need to create reports for each district and distribute to each district from the Ambulance District Sales Tax Trust Fund. The MITS system would require 727 hours of programming at a cost of \$34,569. State Data Center implementation costs for testing and programming would be \$4,730. Officials estimate costs for personal services, fringe benefits, equipment and expense for 10 months of FY 2002 at \$71,468; and in FY 2003 \$31,301; and \$32,095 in FY 2003. Officials estimate there would be income from the 1% collection fee, however, income to the State's General Revenue Fund is Unknown.

Officials of the **St. Charles and Valle Ambulance Districts** assume there would be income if the voters would approve the sales tax. Officials said there would be election costs.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
GENERAL REVENUE FUND			
<u>Income</u> to Department of Revenue from 1% collection fee	Unknown	Unknown	Unknown
<u>Cost</u> to Department of Revenue			
Personal Service (1.0 FTE)	(\$17,660)	(\$21,722)	(\$22,265)
Fringe Benefits	(\$5,886)	(\$7,240)	(\$7,421)
Equipment	(\$6,730)	\$0	\$0
Expense	(\$41,192)	(\$2,339)	(\$2,409)
Estimated Net Effect to the General Revenue Fund	<u>Unknown to</u> <u>(\$71,468)</u>	<u>Unknown to</u> <u>(\$31,301)</u>	<u>Unknown to</u> <u>(\$32,095)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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AMBULANCE DISTRICTS

<u>Income</u> to Ambulance Districts from voter approved sales tax*	Unknown	Unknown	Unknown
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<u>Cost</u> to Ambulance District from Election Costs of Sales Tax vote.	(Unknown)	(Unknown)	(\$Unknown)
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Estimated Net Effect to Certain Ambulance Districts *	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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***Oversight assumes sales tax would exceed the cost of an election, therefore, a positive Unknown is shown. This proposal is not mandatory.**

FISCAL IMPACT - Small Business

Small business located within the boundaries of an ambulance district that has received voter approval to impose a sales tax would expect to be impacted to the extent that they would have additional administrative duties of sales tax administration and they would pay the sales tax.

DESCRIPTION

This bill allows the governing body of an ambulance district, upon voter approval, to impose a sales tax of up to one-fourth of 1% on all retail sales within the district. The tax must be used solely for the operation of the district.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Health
Valle Ambulance District
St.Charles County Ambulance District

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA
Director
February 23, 2001